

# Gloucester City Council

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| <b>Meeting:</b>         | <b>Cabinet</b>  | <b>13<sup>th</sup> September 2017</b> |
|                         | <b>Audit and Governance</b>                           | <b>18<sup>th</sup> September 2017</b> |
| <b>Subject:</b>         | <b>Discretionary Rate Relief Scheme</b>               |                                       |
| <b>Report Of:</b>       | <b>Cabinet Member for Performance &amp; Resources</b> |                                       |
| <b>Wards Affected:</b>  | <b>All</b>  |                                       |
| <b>Key Decision:</b>    | <b>Yes</b>  | <b>Budget/Policy Framework: No</b>    |
| <b>Contact Officer:</b> | <b>Jon Topping, Head of Policy &amp; Resources</b>    |                                       |
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| <b>Appendices:</b>      | <b>1. Additional Discretionary Rate Relief Scheme</b> |                                       |

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 To seek approval for the additional Discretionary Rate Relief Scheme as outlined in the report.

### 2.0 Recommendations

- 2.1 Audit and Governance is asked to **RESOLVE** that the report be noted.

- 2.2 Cabinet is asked to **RESOLVE** that:

(1) That the policy detailed at Appendix 1 be adopted.

(2) That the Section 151 Officer be delegated decision powers in respect of the relief in 3.1 below. The powers will be used to

- Determine the Percentage of the rates increase for which relief is eligible
- Determine the level of relief to be awarded

### 3.0 Background

#### 3.1 Discretionary Relief Scheme

At the Spring Budget, the Government announced the establishment of a £300m discretionary fund over four years from 2017/18 to support businesses in their area. The £300m will cover the four years from 2017/18:

- £175m in 2017/18
- £85m in 2018/19
- £35m in 2019/20
- £5m in 2020/21

DCLG published a consultation of the design of the scheme and draft allocations to billing authorities on 9 March. Allocations were confirmed on 21 April in accordance with those draft allocations published as part of the consultation. On the 28 April a Grant Determination was also circulated. The allocations for Gloucester are as follows;

2017/18 £201k  
2018/19 £98k  
2019/20 £40k  
2020/21 £6k

Individual authorities were required to develop their own discretionary schemes to deliver targeted support to the most hard-pressed ratepayers. Government made it clear the design and administration of schemes is for authorities to decide.

Appendix 1 to this report is the proposed scheme for Gloucester City Council to ensure the allocations are distributed fully and equitably. The proposed scheme has been developed alongside all district councils in Gloucestershire.

### 3.2 Support for Pubs

At the Spring Budget, the Government also announced a new relief scheme for pubs that have a rateable value of below £100,000. Under the scheme, eligible pubs will receive a £1000 discount on their bill. The relief will have effect for 2017/18.

### 3.3 Supporting Small Businesses

At the Spring Budget, the Chancellor announced that a scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief.

On the 16 May a letter was sent to Chief Finance Officers, it included as an annex final guidance on the scheme to authorities about the operation and delivery of this policy for more complex cases. The policy at Appendix 1 incorporates this guidance.

### 3.4 Administration of New Reliefs

The Council is expected to deliver the scheme through the use of their discretionary relief powers under section 47 of the Local Government Finance Act 1988, as amended.

The Council will be compensated through a Section 31 grant for the cost to the authority of granting the relief – up to a maximum amount based on the authority's allocation at paragraph 3.1 above. The grants will be made quarterly in arrears for the duration of the scheme.

## 4.0 **Alternative Options Considered**

4.0 None considered

## 5.0 **Reasons for Recommendation**

5.1 To approve the implementation of additional Discretionary Rate Relief Scheme.

## **6.0 Financial Implications**

- 6.1 As detailed in the report to ensure the distribution of allocation discretionary fund to eligible businesses.

## **7.0 Legal Implications**

- 7.1 The Council has statutory power to award discretionary rate relief under: S44A S47 (as amended by S69 of the Localism Act 2011), S49 of the Local Government Finance Act 1988 and S42A & S42B of the Local Government & Rating Act 1997.
- 7.2. With the exception of S44a relief, the Council cannot grant discretionary relief in respect of 'excepted hereditaments'. An 'excepted hereditament' is one where the Council or precepting authority would be liable to pay the rates. Additionally, case law has established that, where a discretionary power exists, it must be applied fairly and not arbitrarily.

## **8.0 Risk & Opportunity Management Implications**

- 8.1 There are no specific risks or opportunities as a result of this report.

## **9.0 People Impact Assessment (PIA):**

- 9.1 There is no evidence from an initial assessment of an adverse impact on equality in relation to the equality groups.